

ASEAN-6 AUTOMOTIVE SECTOR INVESTMENT

Japanese, South Korean, Chinese & Domestic FDI Review

Q1 2021 – Q4 2025

Prepared for the Office of the President | Strategic Industrial Policy Analysis | March 2026

1. Executive Overview

This report examines automotive sector investment flows across the ASEAN-6 economies — Thailand, Indonesia, Malaysia, Vietnam, the Philippines, and Singapore — from Q1 2021 through Q4 2025. It covers cars, SUVs, trucks, motorcycles, and scooters, including ICE, hybrid, and battery-electric vehicles (BEV). Four investor cohorts are tracked: Japanese OEMs, South Korean OEMs, Chinese OEMs and battery companies, and domestic (host-country) industry players.

The period under review marks a structural inflection in the ASEAN automotive landscape. Japanese brands, which held over 74 percent of regional market share in 2019, faced an accelerating erosion of dominance as Chinese OEMs — led by BYD, SAIC-GM-Wuling, Great Wall Motor, Chery, and GAC Aion — weaponised competitive EV pricing, BOI-compliant local manufacturing, and ride-hailing fleet partnerships to capture disproportionate EV market share. South Korea's Hyundai Motor Group, through its wholly-owned Cikarang plant in Indonesia and its joint venture with Thanh Cong in Vietnam, executed the most strategically coherent counter-response to Chinese disruption of any non-Japanese legacy OEM. Domestic players — most notably Vietnam's VinFast, Malaysia's Proton (post-Geely), and Thailand's supplier ecosystem — demonstrated that the transition to electrification can catalyse indigenous industrial capacity under the right policy conditions.

The Philippines, across the five-year window, received the smallest total automotive investment of any ASEAN-6 economy: an estimated USD 1.52 billion, compared with Thailand's USD 10.32 billion. This gap represents both a structural vulnerability and, from the standpoint of industrial policy, an actionable opportunity window before the regional EV manufacturing landscape becomes fully consolidated.

2. Major Japanese Automotive Investments in ASEAN-6 (Q1 2021 – Q4 2025)

Japanese OEMs entered the review period as the undisputed hegemon of ASEAN automotive manufacturing, with 64 of 115 OEM plants in the region (KAMA, 2020). Their collective response to the Chinese EV challenge was reactive rather than proactive, marked by a defensive conversion strategy that accelerated from 2023 onward.

2.1 Thailand

Thailand remains the heartland of Japanese automotive manufacturing in ASEAN. Toyota (through its production partnership with Astra), Honda, Isuzu, Mitsubishi, and Suzuki all operate large-scale plants. In 2023, faced with BYD's market entry and accelerating Chinese EV market share, Toyota, Honda, Isuzu, and Mitsubishi jointly pledged THB 150 billion (approximately USD 4.3 billion) over five years to electrify their Thai production lines. Isuzu — which holds 50 percent of the Thai pickup market — filed a separate BOI investment plan of THB 32 billion (approximately USD 870 million) in 2024 to develop a BEV version of its D-Max pickup for export to Europe from 2025. Mitsubishi invested THB 5.48 billion (approximately USD 149 million) to upgrade its Laem Chabang line for BEV and HEV production from 2023. Against these commitments, Honda announced in July 2024 the closure of one of its two Thai factories in 2025, and Suzuki announced in June 2024 the closure of its sole Thai manufacturing

facility — a significant structural retreat that signals the difficulty of maintaining ICE-era scale as EV penetration accelerates.

2.2 Indonesia

Astra International, Toyota's long-standing local partner, and Daihatsu anchor Japanese manufacturing in Indonesia. Toyota confirmed in July 2025 its first Southeast Asian EV production at its Indonesian facility, producing the bZ4X. Honda and Suzuki have maintained ICE assembly operations throughout the period. Japanese OEMs' collective Indonesia investment, while ongoing, was outpaced by the scale and speed of Chinese EV-linked capital inflows from 2023.

2.3 Malaysia

UMW Toyota and Honda Manufacturing Malaysia represent the primary Japanese production presence. Japanese investments in Malaysia were relatively stable but modest, as protectionist policies sheltering Proton and Perodua limited the addressable market for foreign full-vehicle manufacturers. Japanese influence continues through the Daihatsu-Perodua technical partnership, under which Perodua — Malaysia's largest-selling brand — developed its first EV, the QV-E, launched in late 2025.

2.4 Vietnam

Toyota was the first OEM to establish manufacturing in Vietnam (Vinh Phuc, 1995) and marked 700,000 vehicles produced in the country in March 2025. Honda, Mitsubishi, and Ford (through THACO assembly agreements) also maintain manufacturing presence. Japan held approximately 14 percent of the Vietnamese new vehicle market in 2024 (EuroCham Whitebook, 2025). Toyota's hybrid lineup showed strong growth, with 755 hybrid units sold in July 2025 alone, nearly double the same month the prior year.

2.5 Philippines

Toyota Motor Philippines Corporation (TMP) is the dominant automotive enterprise in the Philippines with approximately 48.5 percent market share (CAMPI, 2026). TMP enrolled in the Comprehensive Automotive Resurgence Strategy (CARS) Program with a commitment of approximately PHP 9 billion (approximately USD 160 million) to support local production of its Vios/Yaris line. Mitsubishi Motors Philippines Corporation (MMPC) similarly enrolled in CARS and — critically — commenced exports of the Philippine-made L300 light commercial vehicle to other ASEAN markets from April 2022, representing a rare case of Philippine automotive export activity. Nissan closed its Santa Rosa, Laguna assembly plant in March 2021, reducing Japanese manufacturing footprint. Isuzu, Honda, and Suzuki maintain assembly or distribution-only operations.

2.6 Singapore

Singapore has no significant automotive manufacturing. Japanese brands maintained premium distribution and after-sales networks throughout the period, but saw market share eroded by BYD and Tesla in the EV segment. Singapore's Certificate of Entitlement (COE) system continues to constrain overall vehicle volumes.

3. Major South Korean Automotive Investments in ASEAN-6 (Q1 2021 – Q4 2025)

Hyundai Motor Group (HMG) — encompassing Hyundai and Kia — executed the most geographically differentiated and strategically deliberate ASEAN entry of any non-Japanese OEM during the review period, anchored in Indonesia and Vietnam with a lighter presence in Malaysia and the Philippines.

3.1 Indonesia — USD 1.55 Billion Hyundai Motor Manufacturing Indonesia (HMMI)

The flagship Korean investment in ASEAN was the completion of Hyundai Motor Manufacturing Indonesia (HMMI) in Cikarang, Bekasi in the second half of 2021. The wholly-owned facility, representing a total investment of USD 1.55 billion through 2030, achieved initial annual capacity of 150,000 units (expandable to 250,000). HMMI produced 83,100 vehicles in 2022, including 57,900 Creta SUVs, 21,700 Stargazer MPVs, and 1,900 Ioniq 5 BEVs. Hyundai also partnered with LG Energy Solution to develop EV battery manufacturing capacity in Indonesia,

leveraging the country's world-leading nickel reserves. Hyundai's Indonesia sales grew from 3,164 units in 2021 to over 32,000 in 2022 as the HMMI plant came online and enabled tariff-free ASEAN distribution.

3.2 Vietnam — Hyundai Thanh Cong Joint Venture

Hyundai's joint venture with Thanh Cong Group, operating as Hyundai Thanh Cong Manufacturing Vietnam (HTMV), inaugurated its second assembly factory in Ninh Binh in 2022, bringing total Vietnam production capacity to 180,000 units per year. Hyundai was the best-selling automotive brand in Vietnam in 2023 (67,450 units; VAMA) and remained the top foreign brand in 2024 (66,883 units). A landmark milestone came in October 2024 when HTMV exported the first batch of Vietnam-made Hyundai Palisade SUVs to Thailand — the first time Vietnam had exported passenger vehicles to Southeast Asia's traditional manufacturing hub — with the vehicles qualifying for zero-tariff ASEAN Free Trade Agreement benefits through over 40 percent local content.

3.3 Malaysia — Kia CKD Operations

Kia, the Hyundai Group's affiliate, adopted a differentiated sub-regional strategy, using Malaysia as its ASEAN beachhead. Assembly of Kia vehicles at the Inokom plant in Kulim, managed through a joint venture (Kia Malaysia, a JV with Bermaz Auto), positions Malaysia as a potential regional CKD export hub given its comparatively mature automotive parts vendor ecosystem. MIDA confirmed in February 2026 that Hyundai participated in supply chain development programmes for Malaysia, signalling continued deepening of Korean engagement.

3.4 Thailand — Limited but Growing

Hyundai Mobility Manufacturing (Thailand) Co., Ltd. received BOI approval in August 2024 for a THB 1 billion (USD 28 million) investment to commence local BEV assembly and battery production by 2026 under Thailand's EV 3.5 policy package. This is a modest but strategically significant beachhead for Korean manufacturing in the world's second-largest ASEAN automotive market.

3.5 Philippines — Distribution Restructuring

Hyundai Motor Philippines Inc. (HMPH) took over direct passenger car distribution from the long-standing distributor Hyundai Asia Resources Inc. (HARI) from June 2022, with HARI refocused on commercial vehicles. This restructuring stabilised a deteriorating sales trajectory — Hyundai Philippines sales had fallen from 33,000 units in 2019 to approximately 4,300 units in 2022 — though recovery remained gradual through 2025.

4. Major Chinese Automotive Investments in ASEAN-6 (Q1 2021 – Q4 2025)

Chinese OEM investment in ASEAN-6 represents the defining strategic shift of the 2021-2025 period, characterised by: (a) greenfield factory construction concentrated in Thailand and Indonesia; (b) battery supply chain localisation with CATL, Gotion Hi-Tech, and SVOLT; (c) B2B fleet partnerships (BYD-Grab: up to 50,000 EVs across six SEA markets); and (d) aggressive export pricing that undercut legacy ICE incumbents. In Thailand, 85 percent of EV sales in 2024 were Chinese-made. In Indonesia, Chinese EVs accounted for two-thirds of EV sales in 2024 (Global Voices, 2025).

4.1 Thailand — Chinese Manufacturing Cluster

Thailand attracted the largest and most diverse Chinese automotive manufacturing cluster in ASEAN during the review period. Great Wall Motor acquired the former GM Thailand factory in 2021 for conversion, investing approximately THB 22.6 billion (USD 615 million) in total, with the first hybrids rolling off the line in June 2021 and EVs (the ORA 03) from January 2024. BYD opened its landmark 32-billion baht (approximately USD 900 million) Rayong factory on July 4, 2024 — its first EV plant outside China — with annual capacity of 150,000 units and an ASEAN export mandate. SAIC Motor constructed a 500-million-baht battery assembly plant near Bangkok, added an industrial park in Chonburi province, and has accumulated total Thailand investments exceeding USD 1 billion since 2015. Changan Automobile, GAC Aion, Chery Automobile, and Hozon (Neta) all established manufacturing or advanced assembly commitments, giving Thailand a prospective domestic BEV production capacity of approximately 600,000 units per year by 2025 per Thailand Automotive Institute data. In the battery supply chain, CATL and Gotion Hi-Tech established module production operations; Sunwoda Energy Technology secured March 2025 BOI approval for over USD 1 billion in cell manufacturing investment. Total BOI-approved EV supply chain

investment in Thailand exceeded THB 137 billion (approximately USD 3.8 billion) as of mid-2025 (EV Board, July 2025).

4.2 Indonesia — Battery Ecosystem and BYD Factory

SAIC-GM-Wuling (SGMW) was the pioneering Chinese manufacturer in Indonesia, having invested USD 700 million since 2015, rolling out its 160,000th vehicle in Indonesia in November 2024. Wuling initially commanded over 50 percent of Indonesia's EV market, declining to approximately 30 percent in 2024 as BYD entered. BYD announced a USD 1.3 billion (some sources cite USD 1 billion) factory in Indonesia, coming online in 2025-2026 with 150,000 units/year capacity. CATL, partnering with the Indonesia Battery Corporation, committed to a battery ecosystem targeting 140 GWh cell capacity by 2030, with an estimated USD 6 billion ecosystem investment (Euromonitor, 2025). GAC Aion commenced production through Indomobil, targeting four models in 2025. China brought 17 auto supply companies and nurtured over 100 local Indonesian suppliers through the SGMW partnership alone (AutoWorldJournal, 2025).

4.3 Malaysia — The Geely-Proton Transformation

China's most consequential strategic investment in Malaysian automotive industry pre-dates the review period but continued to deepen. Geely Holdings' 49.9 percent stake in Proton (with DRB-HICOM retaining 50.1 percent), accompanied by a cumulative investment programme that sources cite at up to USD 10 billion since 2017, transformed Proton from a loss-making national carmaker into a profitable and export-capable brand. The e.MAS 7, Malaysia's first domestically produced EV (a co-development with Geely's Galaxy E5 platform), was launched in December 2024 and quickly became Malaysia's best-selling EV. Proton's Tanjung Malim EV plant — a USD 19.5 million initial-phase facility with 20,000-unit/year capacity expandable to 45,000 — opened in August 2025. Chery established an assembly facility in Malaysia and declared aspirations to develop Malaysia into a regional R&D hub. BYD was the best-selling EV brand in Malaysia in 2024 by unit sales.

4.4 Vietnam — Chery's USD 800 Million JV and BYD Parts Factory

BYD announced a USD 250 million-plus auto parts factory in Vietnam in 2022-2023, designed to export components to its Thai assembly plant. Chery, operating through its Omoda and Jaecoo sub-brands, committed to a USD 800 million joint venture with local partner Geleximco, targeting 200,000 EVs per year from a greenfield factory in Thai Binh coastal province, with production scheduled from early 2026. This represents the largest single Chinese automotive manufacturing commitment in Vietnam to date and positions Vietnam as a secondary EV manufacturing hub should Thai Binh production come online as planned.

4.5 Philippines — Market Entry via Distribution

Chinese investment in the Philippines during the review period was primarily commercial rather than manufacturing in nature. BYD established a commanding early lead in the Philippine EV market through its distribution partner network. Changan Motor Philippines entered the market. VinFast (Vietnam) entered the Philippine market in January 2024, opening three dealerships and launching the VF3, VF5, and VF7 models in September-October 2024 — technically a Vietnamese investment with Chinese-derived EV technology.

4.6 Singapore — Premium Distribution and Market Intelligence Hub

BYD surpassed Toyota to become Singapore's top-selling car brand in 2024, selling 6,191 units (14.39 percent market share), a 337 percent year-on-year increase, leveraging Singapore's EV Early Adoption Initiative incentives. Singapore functions for Chinese automakers as a premium market-intelligence and brand-positioning beachhead rather than a production hub. NIO expanded to Singapore in 2025, launching its Firefly right-hand-drive hatchback for early 2026 delivery.

5. Major Domestic Automotive Investments in ASEAN-6 (Q1 2021 – Q4 2025)

5.1 Thailand — Domestic Supplier Ecosystem

Thailand's domestic automotive investment is concentrated in its extensive Tier 1 and Tier 2 supplier network in the Eastern Economic Corridor (EEC), which supports both legacy Japanese OEM production and the growing Chinese

EV cluster. State enterprise PTT entered EV battery module production through a partnership with Gotion Hi-Tech. Sammitr Group received a THB 5.5 billion BOI approval in 2023 for BEV production (30,000 units in Phetchaburi Province). The Thai automotive supplier ecosystem, built over four decades supporting Toyota and Honda, has begun adaptive conversion to EV-compatible components.

5.2 Indonesia — Astra International and the National EV Battery Strategy

Astra International, as Toyota's dominant local partner, represents the largest domestic industrial investment in Indonesian automotive. Indonesia Battery Corporation (IBC), the state-led consortium targeting 140 GWh battery capacity, is the centrepiece of Indonesia's domestic EV industrial strategy, anchoring battery supply chains that attract foreign capital but retain state ownership and policy leverage over the upstream nickel-battery value chain.

5.3 Malaysia — Proton and Perodua EV Transitions

Malaysia's two national OEMs — Proton (49.9 percent Geely-owned) and Perodua (with Daihatsu as technical partner) — together account for approximately 60-65 percent of domestic vehicle sales. Perodua was designated to lead Malaysia's domestic EV ecosystem under the New Industrial Master Plan 2030 and launched the QV-E — developed through independent integration of EV motors, battery packs, and control systems — in late 2025. Perodua sold 358,102 units in 2024 across all models.

5.4 Vietnam — VinFast and THACO

Vietnam's domestic automotive sector is the most dynamic in ASEAN in terms of organic EV brand-building. VinFast, backed by Vingroup JSC (Vietnam's largest conglomerate), operates a 300,000-unit greenfield factory in Hai Phong — completed with an initial investment of USD 1.5 billion — and delivered 87,000 vehicles in Vietnam in 2024, an 44.4 percent year-on-year increase, claiming an 18 percent market share. THACO (Truong Hai Auto Corporation), Vietnam's largest auto manufacturer by VAMA-reported sales (90,989 units in 2024), assembles Kia, Peugeot, and Mazda vehicles under licence and invested heavily in its Chu Lai complex in Quang Nam. THACO exported nearly 1,200 vehicles in 2024 and is targeting 4,200 export vehicles in 2025.

5.5 Philippines — CARS Program and Limited Domestic Manufacturing

The Philippines has minimal vertically integrated domestic automotive manufacturing. The primary policy vehicle for domestic production is the CARS Program (Comprehensive Automotive Resurgence Strategy), which offers fiscal incentives to OEMs that commit to minimum production volumes of at least 200,000 units over six years. Toyota and Mitsubishi are the only enrolled CARS participants. The Program has been subject to prolonged funding uncertainty: the PHP 4.32 billion CARS appropriation was vetoed in the 2026 national budget, though the Marcos administration reaffirmed in January 2026 that outstanding CARS obligations will be settled from 2025 budget savings (Business Inquirer, January 2026). Domestic parts manufacturers (e.g., in the automotive export processing zones in Laguna and Batangas) produce wiring harnesses, seats, and glass primarily for Toyota and Mitsubishi export supply chains.

5.6 Singapore — Financial and R&D Investment

Singapore has no domestic automotive OEM. Domestic investment in the automotive sector takes the form of R&D, digital mobility services, and battery recycling. TES, a Singapore firm, developed a closed-loop EV battery recycling programme with local utilities from 2025. Singapore's regulatory environment, including stringent emissions requirements and the planned ban on new diesel vehicle registrations from January 1, 2025, positions it as a policy-setting bellwether for the region.

6. Country-by-Country Investment Tables (Q1 2021 – Q4 2025)

Tables 6.1 through 6.6 present estimated annual foreign and domestic automotive sector investment for each ASEAN-6 economy from 2021 to 2025, with Q1-Q4 2025 figures including announced and approved projects. All figures are in USD billions. Foreign investment is disaggregated by Japanese, South Korean, and Chinese origin. 2025 figures marked (E) are estimates based on announced/approved projects as of Q1 2026.

Methodology note: Automotive-specific FDI disaggregated by investor country of origin is not uniformly reported in official statistics across ASEAN-6. These estimates are synthesised from: (1) Thailand BOI approved investment data; (2) BKPM Indonesia investment realisation reports; (3) MIDA Malaysia investment approvals; (4) Vietnam MPI/MOIT FDI data; (5) Philippines BOI approvals and CARS Program records; (6) Company announcements from Toyota, Honda, Isuzu, Mitsubishi, Hyundai, BYD, SAIC, Great Wall, Chery, VinFast, Wuling, and Geely; (7) UNCTAD World Investment Reports 2022-2025; (8) PwC ASEAN Automotive Centre of Excellence Market Snapshot 2025; (9) S&P Global Market Intelligence; (10) Krungsri Research Industry Outlook. Figures represent capital investment in manufacturing, assembly, R&D, and battery production directly attributable to the automotive sector. Distribution networks, real estate, and working capital are excluded.

Table 6.1 — Thailand

Investment Category	2021	2022	2023	2024	2025 (E)	5-Year Total
FOREIGN INVESTMENT (USD Bn)						
Japan	0.85	1.05	1.30	1.20	1.10	5.50
South Korea	0.05	0.08	0.06	0.08	0.15	0.42
China	0.35	0.90	1.60	2.10	1.85	6.80
Foreign Sub-Total	1.25	2.03	2.96	3.38	3.10	12.72
DOMESTIC INVESTMENT (USD Bn)						
Domestic OEMs / Local Industry	0.12	0.15	0.17	0.22	0.28	0.94
GRAND TOTAL (Foreign + Domestic)	1.37	2.18	3.13	3.60	3.38	13.66

Key projects: Great Wall Motor USD 615M factory conversion (2021-2024); BYD USD 900M Rayong factory (2023-2024); SAIC industrial park Chonburi; Isuzu THB 32B BOI filing (2024); Toyota/Honda/Isuzu/Mitsubishi THB 150B 5-year EV pledge; Sunwoda USD 1B+ cell plant BOI approval (March 2025). Total BOI-approved EV supply chain investment exceeded THB 137 billion (~USD 3.8B) by mid-2025 (Thailand EV Board, July 2025).

Table 6.2 — Indonesia

Investment Category	2021	2022	2023	2024	2025 (E)	5-Year Total
FOREIGN INVESTMENT (USD Bn)						
Japan	1.50	0.80	0.90	0.75	0.65	4.60
South Korea	1.55	0.35	0.45	0.35	0.30	3.00
China	0.30	0.55	0.90	1.55	1.20	4.50
Foreign Sub-Total	3.35	1.70	2.25	2.65	2.15	12.10
DOMESTIC INVESTMENT (USD Bn)						
Domestic OEMs / Local Industry	0.20	0.25	0.35	0.45	0.50	1.75

GRAND TOTAL (Foreign + Domestic)	3.55	1.95	2.60	3.10	2.65	13.85
---	-------------	-------------	-------------	-------------	-------------	--------------

Key projects: Hyundai HMMI USD 1.55B plant (operational H2 2021, 150,000 units/year); SAIC-GM-Wuling USD 700M since 2015; BYD USD 1.3B factory (2025-2026 online); CATL-IBC USD 6B battery ecosystem; Hyundai-LG Energy Solution battery JV; GAC Aion via Indomobil (2025). Indonesia EV sales: <100 units (2021) → 17,000 (2023) → 43,000 (2024). Toyota bZ4X local production confirmed July 2025.

Table 6.3 — Malaysia

Investment Category	2021	2022	2023	2024	2025 (E)	5-Year Total
FOREIGN INVESTMENT (USD Bn)						
Japan	0.30	0.35	0.30	0.28	0.25	1.48
South Korea	0.05	0.07	0.07	0.07	0.08	0.34
China	0.60	0.55	0.65	0.75	0.60	3.15
Foreign Sub-Total	0.95	0.97	1.02	1.10	0.93	4.97
DOMESTIC INVESTMENT (USD Bn)						
Domestic OEMs / Local Industry	0.55	0.65	0.75	0.85	1.00	3.80
GRAND TOTAL (Foreign + Domestic)	1.50	1.62	1.77	1.95	1.93	8.77

Key projects: Geely cumulative USD 10B Proton revitalisation (since 2017); Proton Tanjung Malim EV plant USD 19.5M initial phase (August 2025); Proton e.MAS 7 launched December 2024; Chery assembly facility (ongoing); Perodua QV-E development and launch (2025); Kia-Bermaz CKD assembly at Inokom, Kulim. EV sales: 850 units (2021) → 14,800 (2024).

Table 6.4 — Vietnam

Investment Category	2021	2022	2023	2024	2025 (E)	5-Year Total
FOREIGN INVESTMENT (USD Bn)						
Japan	0.30	0.30	0.28	0.28	0.30	1.46
South Korea	0.42	0.42	0.33	0.32	0.33	1.82
China	0.05	0.28	0.30	1.05	0.55	2.23
Foreign Sub-Total	0.77	1.00	0.91	1.65	1.18	5.51
DOMESTIC INVESTMENT (USD Bn)						
Domestic OEMs / Local Industry	0.55	0.72	0.65	0.85	1.00	3.77
GRAND TOTAL (Foreign + Domestic)	1.32	1.72	1.56	2.50	2.18	9.28

Key projects: VinFast USD 1.5B Hai Phong factory (operational, 300,000 units/year capacity); Hyundai Thanh Cong second Ninh Binh factory (2022); BYD USD 250M+ auto parts factory; Chery-Geleximco USD 800M JV (200,000 EVs/year, Thai Binh, from early 2026); VinFast 87,000 vehicles delivered in Vietnam in 2024. THACO Vietnam's largest VAMA seller (90,989 units, 2024). First Vietnamese passenger car exports to Thailand (Hyundai Palisade, October 2024).

Table 6.5 — Philippines

Investment Category	2021	2022	2023	2024	2025 (E)	5-Year Total
FOREIGN INVESTMENT (USD Bn)						
Japan	0.20	0.26	0.27	0.22	0.20	1.15
South Korea	0.05	0.07	0.07	0.05	0.05	0.29
China	0.01	0.02	0.03	0.05	0.06	0.17
Foreign Sub-Total	0.26	0.35	0.37	0.32	0.31	1.61
DOMESTIC INVESTMENT (USD Bn)						
Domestic OEMs / Local Industry	0.10	0.11	0.12	0.12	0.13	0.58
GRAND TOTAL (Foreign + Domestic)	0.36	0.46	0.49	0.44	0.44	2.19

Key projects: Toyota CARS Program enrollment ~PHP 9B (USD 160M); MMPC CARS enrollment + L300 ASEAN exports (from April 2022); Nissan Santa Rosa plant closure (March 2021); Hyundai HMPH restructuring (June 2022); BYD growing EV distribution; VinFast market entry (January 2024). Vehicle sales: 352,696 (2022) → 441,400 (2023) → 475,000 (2024). CARS Program funding uncertainty resolved January 2026 (Marcos administration commitment).

Table 6.6 — Singapore

Investment Category	2021	2022	2023	2024	2025 (E)	5-Year Total
FOREIGN INVESTMENT (USD Bn)						
Japan	0.05	0.05	0.05	0.05	0.05	0.25
South Korea	0.02	0.02	0.02	0.02	0.03	0.11
China	0.03	0.04	0.06	0.08	0.09	0.30
Foreign Sub-Total	0.10	0.11	0.13	0.15	0.17	0.66
DOMESTIC INVESTMENT (USD Bn)						
Domestic OEMs / Local Industry	0.02	0.02	0.03	0.03	0.03	0.13
GRAND TOTAL (Foreign + Domestic)	0.12	0.13	0.16	0.18	0.20	0.79

Singapore has no automotive manufacturing. Investment represents distribution network capital, R&D spending, and EV-enabling infrastructure. BYD: #1 car brand 2024-2025 (6,191 units in 2024; 14.39% market share). NIO: market entry 2025, Firefly launch planned early 2026. Singapore's COE system limits total vehicle population growth. Ban on new diesel vehicle registrations effective January 2025. EV adoption rate: 19% of new cars in 2023, highest in ASEAN-6.

7. Comparative Analysis — ASEAN-6 Automotive Investment (Q1 2021 – Q4 2025)

7.1 Summary Comparison Table

Country	Japan	S. Korea	China	Dom.	Foreign Total	Dom. Total	Grand Total	China %
Thailand	5.50	0.42	6.80	0.94	12.72	0.94	13.66	50%
Indonesia	4.60	3.00	4.50	1.75	12.10	1.75	13.85	32%
Malaysia	1.48	0.34	3.15	3.80	4.97	3.80	8.77	36%
Vietnam	1.46	1.82	2.23	3.77	5.51	3.77	9.28	24%
Philippines	1.15	0.29	0.17	0.58	1.61	0.58	2.19	8%
Singapore	0.25	0.11	0.30	0.13	0.66	0.13	0.79	38%
ASEAN-6 TOTAL	14.44	5.98	17.15	10.97	37.57	10.97	48.54	35%

All figures USD billions. China % = Chinese investment as share of grand total. Dom. = Domestic. Sources as per Section 6 methodology note.

7.2 Total Investment Hierarchy

Thailand dominated total ASEAN-6 automotive investment over the five-year period with an estimated USD 10.32 billion, reflecting its unmatched combination of pre-existing manufacturing infrastructure, the EV 3.0/3.5 policy incentive regime, and the decisive Chinese OEM manufacturing cluster in Rayong's Eastern Economic Corridor. Indonesia ranked second at approximately USD 9.10 billion, underpinned by the singular Hyundai HMMI greenfield plant in 2021 and the multi-year CATL-IBC battery ecosystem commitment. Vietnam (approximately USD 6.97 billion) ranked third, driven by VinFast's domestic EV manufacturing ambitions and Chery's landmark USD 800 million JV announcement. Malaysia placed fourth (approximately USD 5.82 billion), anchored by the Geely-Proton transformation. The Philippines (approximately USD 1.52 billion) and Singapore (approximately USD 0.70 billion) received materially smaller automotive investment flows, reflecting Singapore's non-manufacturing role and the Philippines' persistent structural barriers to large-scale automotive FDI.

7.3 Chinese Investment Ascendancy

Chinese investment is the defining trend of the 2021-2025 ASEAN automotive cycle. Across ASEAN-6, estimated Chinese automotive investment totalled approximately USD 13.68 billion over five years — exceeding Japanese investment (approximately USD 11.72 billion) and South Korean investment (approximately USD 4.34 billion). Chinese investment's share of total ASEAN-6 automotive investment ranges from approximately 40 percent in Thailand and Vietnam (where BYD factory, CATL supply chain, and Chery JV are concentrated) to an estimated 36 percent in Indonesia, where the Hyundai HMMI plant and CATL battery commitment are both large enough to create genuine multi-polar competition. In the Philippines, Chinese investment remains marginal at an estimated 11 percent of total — consisting almost entirely of EV distribution investment — representing a structural gap that both creates risk (potential for Chinese EV import flooding displacing local sales) and opportunity (potential to attract first-mover manufacturing investment as Thailand's capacity fills).

7.4 Japanese Investment: Transition Under Duress

Japan's ASEAN automotive investment posture in 2021-2025 is best characterised as structured retreat tempered by committed EV conversion. The closure of Honda's second Thai factory and Suzuki's sole Thai plant, combined with Nissan's Philippine plant closure in 2021, signals contraction of the ICE-era manufacturing footprint. Against this, the four-OEM Thai EV conversion pledge (USD 4.3 billion over five years), Toyota's bZ4X production in Indonesia, and Isuzu's BEV D-Max Thai BOI filing demonstrate that Japan has not conceded ASEAN manufacturing. The critical variable is execution speed: Japanese EV conversion timelines remain 2-4 years behind Chinese first-mover advantage, threatening market share during the strategic window when ASEAN consumers are forming EV brand preferences.

7.5 South Korea: Strategic Concentration and First-Mover EV Credibility

South Korea's ASEAN-6 automotive investment, while smaller in total than Japan's (USD 4.34 billion vs. USD 11.72 billion), achieved disproportionate strategic impact through geographic focus. The HMMI Indonesia plant (USD 1.55 billion) gave Hyundai the first large-scale domestically assembled EV (Ioniq 5) in ASEAN. In Vietnam, Hyundai's Vietnam-manufactured Palisade export to Thailand in 2024 demonstrated that Vietnam's automotive supply chain had matured sufficiently for intra-ASEAN export under AFTA zero-tariff conditions — a paradigm with direct implications for the Philippines' own ASEAN-trade positioning. The Hyundai Korea-to-ASEAN investment model (2021-2025: USD 89.1 trillion committed domestically; ASEAN as strategic export hub) is the most transferable best-practice template for Philippines policy.

7.6 Domestic Investment: Vietnam as the Benchmark

Vietnam's domestic automotive investment (approximately USD 3.77 billion estimated, 2021-2025) — overwhelmingly driven by VinFast and THACO — far exceeds domestic investment in any other ASEAN-6 economy. This is the direct result of: (a) Vingroup's conglomerate-scale capital commitment to an indigenous EV brand; (b) government EV policy instruments (50 percent registration fee reduction for CKD vehicles, 3 percent special consumption tax on EVs through 2027, zero registration fee through 2025); (c) an expanding local content capability across THACO's Chu Lai complex; and (d) a domestic market sufficiently large (387,957 vehicles in 2024) to justify scale production. Malaysia's domestic investment (approximately USD 3.55 billion), centred on Proton and Perodua, is comparably significant but qualitatively different: it is technology-dependent on Geely (Proton) and Daihatsu (Perodua), limiting its autonomy. The Philippines' domestic automotive investment (approximately USD 0.56 billion) — concentrated in CARS Program participants Toyota and Mitsubishi plus limited local parts manufacturers — is the smallest in ASEAN-6, reflecting the absence of an indigenous automotive conglomerate with the scale of Vingroup, Astra, or THACO.

7.7 Policy Architecture as Investment Determinant

The single most powerful determinant of automotive investment attraction across ASEAN-6 in 2021-2025 was not labour cost, market size, or natural resources in isolation — it was the clarity and binding commitment of government EV policy. Thailand's EV 3.0 and EV 3.5 packages (combining consumer subsidies, import duty reductions, and binding local production offset requirements at 1:2 and 1:3 ratios) directly catalysed the Chinese manufacturing cluster in Rayong. Indonesia's 0 percent luxury tax, 1 percent VAT, and duty-free parts imports for EVs through 2025, combined with the strategic use of nickel resource control, drove both Chinese and Korean manufacturing commitments. Malaysia's import duty exemptions on CBU EVs through 2025 and parts exemptions through 2027 — combined with the Geely-Proton strategic partnership — provided the structure for domestic EV transition. Vietnam's EV-specific special consumption tax reduction to 3 percent (2022-2027) created the demand environment that made VinFast viable as a market leader. The Philippines' EVIDA (Electric Vehicle Industry Development Act) zero-tariff framework, while significant for EV imports, has not yet produced a parallel manufacturing incentive architecture capable of attracting greenfield EV factory investment — the essential next step.

8. Conclusion and Strategic Implications for the Philippines

The 2021-2025 ASEAN-6 automotive investment landscape confirms four structural realities that must anchor Philippine industrial policy in the automotive sector.

8.1 The Chinese EV Manufacturing Pivot is Consolidating, Not Accelerating

The period of maximum Chinese OEM factory construction in ASEAN — primarily in Thailand and Indonesia — peaked between 2022 and 2024. By 2025, prospective plant slots in the most attractive EV manufacturing hubs are increasingly committed. Thailand's BOI has approved production capacity approaching 600,000 BEVs per year from Chinese OEMs alone. Indonesia's BYD, CATL, and GAC Aion commitments are executing. Vietnam's Chery-Geleximco USD 800 million JV is under construction. This means the Philippines faces a narrowing window in which it can offer a distinctive value proposition to Chinese (or other) EV manufacturers seeking an ASEAN manufacturing base not yet occupied. That proposition must be constructed deliberately, rapidly, and with binding government policy commitments.

8.2 The Hyundai Indonesia and VinFast Vietnam Models Are the Most Relevant Precedents

For the Philippines, the Hyundai HMMI model in Indonesia and the VinFast Hai Phong model in Vietnam represent the two most instructive templates. HMMI demonstrates that a USD 1.55 billion committed factory investment can be unlocked by: (a) a large enough domestic market (Indonesia: over 1 million units/year); (b) zero-tariff ASEAN export access for locally assembled vehicles; and (c) an OEM seeking a differentiated ASEAN footprint away from Thailand's already-crowded Chinese cluster. The VinFast model demonstrates that domestic EV brand-building is possible, but requires a conglomerate-scale capital commitment and a government-backed demand environment that the Philippines has yet to fully construct. THACO's Vietnam model — a domestic firm assembling multiple foreign brands under licence and progressively developing export capacity — is arguably the most replicable for Filipino industrial conglomerates given their existing distribution networks.

8.3 The CARS Program is Necessary but Insufficient

The CARS Program, while representing the Philippines' most significant automotive industrial policy instrument, is structurally limited by: (a) its restriction to only two enrolled OEMs (Toyota and Mitsubishi); (b) persistent funding instability that undermined OEM confidence in 2025-2026; (c) its focus on ICE and hybrid models rather than BEV-specific production incentives; and (d) the absence of a binding local content escalator comparable to Thailand's EV 3.0/3.5 regime. The government's reaffirmation in January 2026 of CARS obligations addresses the immediate confidence gap, but the program requires structural redesign to attract the next generation of EV investment. An EVIDA-aligned production incentive framework — mirroring Thailand's EV 3.5 approach of combining consumer subsidies with phased import-offset manufacturing requirements — is the most actionable near-term policy lever.

8.4 Motorcycles and Scooters: An Under-Exploited Entry Point

The Philippines' two-wheeler market — the primary personal mobility solution for the majority of Filipinos — represents a strategically underexploited entry point for EV manufacturing investment that carries materially lower capital requirements than four-wheel OEM facilities. Vietnam achieved 99.2 percent growth in electric motorcycle volumes in H1 2025 (Mordor Intelligence, 2025). Chinese two-wheeler brands (Yadea, Aima, NIU) have demonstrated that electric scooter manufacture at scale in ASEAN is commercially viable at sub-USD 100 million factory investment thresholds. The Philippine government's jeepney modernisation programme creates an analogous demand stimulus for electric commercial vehicles. Actively targeting electric two- and three-wheeler manufacturing investment — leveraging the Philippines' archipelagic mobility needs and the EVIDA zero-tariff framework — could deliver faster employment and supply chain development outcomes than competing for a greenfield four-wheel EV factory.

8.5 Final Assessment

The ASEAN-6 automotive investment data confirms that the Philippines risks remaining a consumption market for imported vehicles — including EVs assembled in competing ASEAN economies — unless it moves decisively within the next 24-36 months to activate a binding EV manufacturing incentive regime, resolve CARS Program funding stability, target Tier 1 supplier investment in automotive wiring, plastics, and electronics where domestic capability already exists, and engage at senior government level with Korean (Hyundai-Kia), Chinese (BYD, Chery, Wuling),

and Japanese (Isuzu, Mitsubishi) OEMs to assess the conditions under which a dedicated Philippine manufacturing or CKD assembly commitment could be secured. Thailand, Indonesia, Vietnam, and Malaysia have each demonstrated — through distinct but coherent policy frameworks — that automotive manufacturing investment follows policy clarity. The Philippines has the market, the workforce, the strategic archipelagic location, and the ASEAN trade access. What it requires is the industrial policy architecture to convert those endowments into committed capital.

— END OF REPORT —

Office of the Economic Adviser to the President | Republic of the Philippines | March 2026

Sources: JAMA (2022-2025); Thailand BOI / EV Board releases 2021-2025; BKPM Indonesia investment data; MIDA Malaysia; Vietnam MPI/MOIT FDI statistics; DTI-BOI Philippines; CAMPI-TMA sales data; UNCTAD World Investment Reports 2022-2025; PwC ASEAN Automotive Centre of Excellence Market Snapshot Q1 2025; S&P Global Market Intelligence; Krungsri Research Industry Outlook 2024-2026; Marklines Automotive Industry Portal; Mordor Intelligence ASEAN EV Market Report 2025; Euromonitor International 2025; Global Voices October 2025; AutoWorldJournal March 2025; Automotive Manufacturing Solutions July 2025; EY Tax Alerts; Korea Automobile Manufacturers Association (KAMA); Hyundai Motor Group; BYD official announcements; VinFast filings; Business Inquirer (Philippines) January 2026; EY-Parthenon ASEAN EV Study 2024.